

Proposed Modifications to WGQ Standards

Proposed WGQ Standard No. 5.3.x2a (Redline)

For index-based capacity release transactions, the capacity release facilitator should support a ~~Rate Floor~~ to be specified by the releasing shipper in the capacity release offer.

Proposed WGQ Standard No. 5.3.x2a (Clean)

For index-based capacity release transactions, the capacity release facilitator should support a Rate Floor to be specified by the releasing shipper in the capacity release offer.

Proposed WGQ Standard No. 5.3.x3 (Redline)

~~Unless otherwise specified in the Transportation Service Provider's (TSP) tariff, For for monthly reservation~~ index-based capacity release transactions ~~or volumetric index-based capacity release transactions,~~ where the result of the award is to be applied on a monthly basis, ~~if and~~ the formula detailed in the capacity release award requires calculations on a daily basis, ~~then while~~ the results of such daily calculations may exceed the applicable ~~daily~~ maximum daily reservation rate or be less than the applicable minimum daily reservation rate, ~~as calculated pursuant to NAESB WGQ Standard No. 5.3.22, nevertheless~~ However, any resulting monthly reservation rate may not exceed the TSP's applicable maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award. ~~applicable minimum monthly reservation rate.~~

Proposed WGQ Standard No. 5.3.x3 (Clean)

Unless otherwise specified in the Transportation Service Provider's (TSP) tariff, for index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed the TSP's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

Proposed WGQ Standard No. 5.3.x4 (Redline)

For volumetric index-based capacity release transactions where the result of the formula detailed in the capacity release ~~offer-award~~ is to be applied on a daily basis and it exceeds the applicable daily maximum rate or is less than the applicable minimum rate as calculated pursuant to NAESB WGQ Standard No. 5.3.22, the capacity release credit and corresponding charge calculated for that day may not exceed the result of a calculation using the applicable maximum daily reservation rate or be less than the result of a calculation using the applicable minimum daily reservation rate, respectively.

Proposed WGQ Standard No. 5.3.x4 (Clean)

For volumetric index-based capacity release transactions where the result of the formula detailed in the capacity release award is to be applied on a daily basis and it exceeds the applicable daily maximum rate or is less than the applicable minimum rate as calculated pursuant to NAESB WGQ Standard No. 5.3.22, the capacity release credit and corresponding charge calculated for that day may not exceed the result of a calculation using the applicable maximum daily reservation rate or be less than the result of a calculation using the applicable minimum daily reservation rate, respectively.

Alternate - Proposed WGQ Standard No. 5.3.x4 (Redline to Clean Pipeline 1/10/08)

For volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the capacity release credit and corresponding charge calculated for each day exceeds the Transportation Service Provider's (TSP) applicable maximum daily reservation rate or is less than the daily Rate Floor specified in the capacity release award, then the TSP's maximum daily reservation rate, if applicable, or the daily Rate Floor, ~~as applicable~~respectively, should apply.

Proposed WGQ Standard No. 5.3.x6 (Redline)

A Transportation Service Provider (TSP) should support the use of the price index references required for Commission Form No. 552 – Annual Report of Natural Gas Transactions as well as publicly available price references at least two index references for index-based capacity release transactions, posting the identity of such references on its Informational Postings Web site. In consultation with releasing shippers, such references should be reviewed annually by the TSP and updated (index references added or removed), if necessary.

Releasing shippers wishing to use index rates not ~~supported~~ used by the TSP will be responsible for providing the TSP with a subscription(s) to any additional~~the non-supported~~ index reference(s) such that the TSP is adequately licensed to fulfill its business responsibilities associated with ~~the~~ index-based capacity release transactions. The identity of Such such non-supported additional index reference(s) will be posted on the TSP's Informational Postings Web site and be available for use by then be supported by the TSP for index-based capacity release transactions for other releasing shippers for the purpose of making offers for the ~~become available to all parties for the~~ duration of the subscription ~~and will be considered for ongoing TSP support in the next annual review.~~

As an alternative to providing the TSP with a subscription(s) to non-supported additional index references, the releasing shipper may make other mutually agreed upon arrangements with the TSP pursuant to NAESB WGQ Standard No. 5.3.x7.

Proposed WGQ Standard No. 5.3.x6 (Clean)

A Transportation Service Provider (TSP) should support the use of the price index references required for Commission Form No. 552 – Annual Report of Natural Gas Transactions as well as publicly available price references for index-based capacity release transactions, posting the identity of such references on its Informational Postings Web site. In consultation with releasing shippers, such references should be reviewed annually by the TSP and updated (index references added or removed), if necessary.

Releasing shippers wishing to use index rates not used by the TSP will be responsible for providing the TSP with a subscription(s) to any additional index reference(s) such that the TSP is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. The identity of such additional index reference(s) will be posted on the TSP's Informational Postings Web site and be available for use by other releasing shippers for the duration of the subscription.

As an alternative to providing the TSP with a subscription(s) to additional index references, the releasing shipper may make other mutually agreed upon arrangements with the TSP.

Note: For Form No. 552, the Commission posts Supplementary Material Regarding Reporting Locations at: <http://www.ferc.gov/docs-filing/eforms/form-552/supplementary-material.asp#skipnavsub>

For reporting on transactions in Reporting Year 2008, the Commission recognizes four (4) price index publishers: [Platts' Gas Daily](#), [Intelligence Press' Natural Gas Intelligence](#), [Energy Intelligence's Natural Gas Week](#), [InterContinental Exchange](#)

Proposed WGQ Standard No. 5.3.x8 (Redline)

For index-based capacity release transactions, the rate to be used in the invoice should be the greater of:

- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Default Rate specified in the capacity release offer), or
- the Rate Floor plus any differential as specified in the capacity release award.

In no event should the rate used in the invoice be greater than the Transportation Service Provider's maximum reservation rate, as applicable.

Proposed WGQ Standard No. 5.3.x8 (Clean)

For index-based capacity release transactions, the rate to be used in the invoice should be the greater of:

- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Default Rate specified in the capacity release offer), or
- the Rate Floor plus any differential as specified in the capacity release award.

In no event should the rate used in the invoice be greater than the Transportation Service Provider's maximum reservation rate, as applicable.

Proposed WGQ Standard No. 5.3.x9 (Redline)

For index-based capacity release transactions, a Transportation Service Provider should support the ability of a releasing shipper to specify in the capacity release offer a non-biddable Default Rate. A Default Rate cannot be less than a Rate Floor, if any. Amounts invoiced at a non-biddable Default Rate can be revised subsequently, upward or downward, to conform with the capacity release award, subject to the standards governing prior period adjustments within NAESB's Invoicing Related Standards.

Proposed WGQ Standard No. 5.3.x9 (Clean)

For index-based capacity release transactions, a Transportation Service Provider should support the ability of a releasing shipper to specify in the capacity release offer a non-biddable Default Rate. A Default Rate cannot be less than a Rate Floor, if any.

Proposed WGQ Standard No. 5.3.x7 (Redline)

For index-based capacity release transactions, upon mutual agreement ~~of~~ between the releasing shipper and the Transportation Service Provider (TSP), the releasing shipper should provide the TSP ~~and the replacement shipper~~ with the detailed calculation of the reservation rate(s). This rate(s) will then be reflected on the invoice provided amount to be billed by the TSP to the replacement shipper pursuant to the capacity release award. For reservation index-based capacity release transactions, A-a report of this calculation should be provided in a mutually agreed upon format no later than the first ~~business~~ Business Day of the month following the transportation under the release. For volumetric index-based capacity release transactions, such report should be provided one Business Day following the releasing shipper's receipt of allocated quantities necessary to calculate the reservation rate(s). The results of the releasing shipper's calculations should ~~comport conform~~ to ~~with~~ the capacity release award and/or the TSP's minimum and maximum rates, as applicable.

If the report ~~does not meet this criterion, is not provided by the applicable deadline above timely or is deficient,~~ is not provided by the applicable deadline above timely or is deficient, then the TSP will notify the releasing shipper to provide the TSP with a correct report within ~~two~~ one Business ~~days~~ Day. Thereafter, in the absence of a conforming report, the TSP will invoice the replacement shipper ~~using the higher of a the~~ the Default Rate specified in the capacity release offer ~~or the TSP's applicable minimum reservation rate.~~

Upon notification to the TSP by both the releasing shipper and the replacement shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform with the capacity release award, subject to the standards governing prior period adjustments within the NAESB's WGQ Invoicing Related Standards, upon notification to the TSP by the releasing or replacement shipper that such adjustments are appropriate. The TSP should not process an adjustment until it is requested to do so by both the releasing and replacement shippers. No adjustments will be processed without mutual agreement between the releasing and replacement shippers.

Except as provided above, the TSP should invoice the replacement shipper the reservation rate amounts indicated on this report ~~and, upon a request, should provide this report to the replacement shipper.~~

Proposed WGQ Standard No. 5.3.x7 (Clean)

For index-based capacity release transactions, upon mutual agreement between the releasing shipper and the Transportation Service Provider (TSP), the releasing shipper should provide the TSP and the replacement shipper with the detailed calculation of the reservation rate(s). This rate(s) will then be reflected on the invoice provided by the TSP to the replacement shipper pursuant to the capacity release award. For reservation index-based capacity release transactions, a report of this calculation should be provided in a mutually agreed upon format no later than the first Business Day of the month following the transportation under the release. For volumetric index-based capacity release transactions, such report should be provided one Business Day following the releasing shipper's receipt of allocated quantities necessary to calculate the reservation rate(s). The results of the releasing shipper's calculations should conform to the capacity release award and/or the TSP's minimum and maximum rates, as applicable.

If the report is not provided by the applicable deadline above or is deficient, then the TSP will notify the releasing shipper to provide the TSP with a correct report within one Business Day. Thereafter, in the absence of a conforming report, the TSP will invoice the replacement shipper the Default Rate specified in the capacity release offer.

Upon notification to the TSP by both the releasing shipper and the replacement shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB's WGQ Invoicing Related Standards. The TSP should not process an adjustment until it is requested to do so by both the releasing and replacement shippers.

Except as provided above, the TSP should invoice the replacement shipper the reservation rate amounts indicated on this report.

Proposed WGQ Standard No. 5.3.x11 (Redline)

For volumetric index-based capacity release transactions, where the releasing shipper performs billing calculations pursuant to NAESB WGQ Standard No. 5.3.x7, for volumetric index-based capacity releases, the Transportation Service Provider (TSP) should provide final allocated quantities to the releasing shipper no later than threetwo Business Days prior to the TSP's invoicing date the releasing shipper is required provide the TSP with the detailed calculation of the reservation rate.

Such allocated quantities should be provided in a tabular downloadable file to be described by the TSP. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, one of the columns should contain the applicable Gas Day. The releasing shipper should also provide the results of the billing calculation to the TSP no later than one Business Day prior to the TSP's invoicing date.

Proposed WGQ Standard No. 5.3.x11 (Clean)

For volumetric index-based capacity release transactions, where the releasing shipper performs billing calculations pursuant to NAESB WGQ Standard No. 5.3.x7, the Transportation Service Provider (TSP) should provide allocated quantities to the releasing shipper no later than two Business Days prior to the date the releasing shipper is required provide the TSP with the detailed calculation of the reservation rate.

Such allocated quantities should be provided in a tabular downloadable file to be described by the TSP. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, one of the columns should contain the applicable Gas Day.

Proposed Modified WGQ Standard No. 2.3.21 (Redline)

If 5.3.x11 is modified as (or similar) to the above, the insertion below in 2.3.21 is not necessary.

A TSP should provide a releasing shipper operational allocated quantities pursuant to NAESB WGQ Standard 2.4.3 or 2.4.4 when a releasing shipper invoices volumetric index-based capacity releases pursuant to NAESB WGQ Standard 5.3.x7.